

Message Text

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PAGE 01 CARACA 07570 011702Z
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 INR-07 NSAE-00 EB-08 COME-00
SP-02 SS-15 NSC-05 OPIC-03 XMB-02 IGA-02 TRSE-00
/059 W

-----032408 011853Z /41

R 011541Z AUG 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 8594

C O N F I D E N T I A L CARACAS 7570

E.O. 11652: GDS
TAGS: EIND, EFIN, VE
SUBJECT: OWENS-ILLINOIS INVESTMENT DISPUTE

REF: CARACAS 7486

1. MEETING BETWEEN REPRESENTATIVES OF O-I AND GOV TOOK PLACE
JULY 28 IN CARACAS. GOV REPRESENTED BY LAURIA AND HURTADO,
O-I BY TOM HUGHES, ROLAND KEW AND CALVIN PHILLIPS. NEXT MEETING
TENTATIVELY SCHEDULED FOR MID-AUGUST WITH WILLIAM COLEMAN IN
ATTENDANCE.

2. ACCORDING TO HUGHES, MEETING ENDED INCONCLUSIVELY.
APPARENTLY IDEA OF JOINT VENTURE NOW RULED OUT BY GOV. F1
FOCUS NOW IS ON SETTLEMENT CONSISTING OF PAYMENT TO O-I GROSSED
UP TO COVER TAX PAYMENT DUE TO GOVERNMENT OF VENEZUELA SO
THAT O-I WOULD NET ENOUGH TO BUILD NEW PLANT AND RESUME
PRODUCTION OF GLASS CONTAINERS. HUGHES INTENDS TO TRY TO WORK
UP REPLACEMENT COST AND TAX FIGURES FOR PRESENTATION TO GOV
AT MID-AUGUST MEETING.

3. ACCORDING TO HUGHES, LAURIA EVIDENCED SOME IMPATIENCE
WITH THE PACE OF NEGOTIATION. HE REPORTEDLY STATED THAT UNLESS
PROGRESS WAS MADE SOON THE GOVERNMENT WOULD TAKE STEPS TO
EASE THE GLASS CONTAINER SHORTAGE BY FORCING PRODUCERS TO
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RAISE THEIR LEVEL OF PRODUCTION. HE SUGGESTED ONE WAY OF DOING THIS
WOULD BE TO LOWER THE CEILING PRICE FOR BOTTLES AND OTHER
CONTAINERS.
VAKY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTE SETTLEMENT, FOREIGN INVESTMENT, INDUSTRIAL PRODUCTION, NEGOTIATIONS, GLASS CONTAINERS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA07570
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770275-0445
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197708111/aaaadqzf.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 CARACAS 7486
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1437897
Secure: OPEN
Status: NATIVE
Subject: OWENS-ILLINOIS INVESTMENT DISPUTE
TAGS: EIND, EFIN, EINV, VE, OWENS-ILLINOIS, (HUGHES, TOM), (KEW, ROLAND), (PHILIPS, CALVIN), (COLEMAN, WILLIAM)
To: STATE
Type: TE
vdkgvwkey: odbcr://SAS/SAS.dbo.SAS_Docs/666cb350-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009